

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004

	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	FYTD	FY04	Ended	Ended
				Net ROR	Net ROR				Net ROR	Net	Net	6/30/2004	6/30/2004
												Net	Net
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
Los Angeles Capital	514,651	2.2%	2.3%	10.37%	4.86%	486,381	2.2%	2.3%	-4.14%	5.80%	N/A	N/A	N/A
Total Structured Growth	514,651	2.2%	2.3%	10.37%	4.86%	486,381	2.2%	2.3%	-4.14%	5.80%	17.58%	-6.28%	-7.85%
Russell 1000 Growth				9.17%	3.92%				-5.23%	3.47%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>													
LSV	554,202	2.4%	2.3%	9.01%	2.72%	530,410	2.4%	2.3%	3.21%	12.51%	30.56%	9.33%	8.36%
Russell 1000 Value				10.38%	3.35%				1.54%	12.08%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>													
LA Capital	1,085,559	4.7%	4.5%	9.28%	3.67%	1,036,138	4.6%	4.5%	-1.68%	7.44%	N/A	N/A	N/A
Russell 1000				9.80%	3.62%				-1.81%	7.81%	N/A	N/A	N/A
<i>S&P 500 Enhanced Index</i>													
Westridge	1,054,854	4.6%	4.5%	9.47%	3.44%	1,006,796	4.5%	4.5%	-1.99%	7.29%	N/A	N/A	N/A
S&P 500				9.23%	3.40%				-1.87%	7.19%	N/A	N/A	N/A
<i>Index</i>													
State Street	317,309			9.23%	3.42%	303,042			-1.88%	7.17%	19.01%	-0.75%	-2.28%
Total Index	317,309	1.4%	1.5%	9.23%	3.42%	303,042	1.4%	1.5%	-1.88%	7.17%	19.01%	-0.75%	-2.28%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.70%	-2.21%
TOTAL LARGE CAP DOMESTIC EQUITY	3,526,574	15.2%	15.0%	9.45%	3.60%	3,362,769	15.1%	15.0%	-1.42%	7.90%	21.46%	0.15%	-1.39%
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.70%	-2.21%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	1,208,969	5.2%	5.0%	14.79%	3.88%	1,159,375	5.2%	5.0%	-3.60%	10.66%	32.99%	5.51%	N/A
Russell 2000 + 200bp				14.64%	3.13%				-2.36%	11.93%	35.99%	7.90%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	1,208,969	5.2%	5.0%	14.79%	3.88%	1,159,375	5.2%	5.0%	-3.60%	10.66%	32.99%	5.54%	7.29%
Russell 2000				14.09%	2.96%				-2.86%	10.83%	33.36%	6.24%	6.63%
CONVERTIBLES													
TCW	2,339,526	10.1%	10.0%	8.41%	2.91%	2,232,253	10.0%	10.0%	-4.35%	3.69%	17.50%	1.03%	3.90%
First Boston Convertible Index				5.37%	2.08%				-1.05%	4.26%	14.16%	4.89%	5.75%
INTERNATIONAL EQUITY													
<i>Large Cap - Active</i>													
Capital Guardian	902,597	3.9%	4.0%	10.01%	3.66%	1,778,848	8.0%	8.0%	-1.77%	8.07%	25.36%	-0.39%	0.54%
LSV	908,551	3.9%	4.0%	N/A	4.80%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(257)	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	1,810,891	7.8%	8.0%	10.59%	4.21%	1,778,848	8.0%	8.0%	-1.77%	8.64%	25.36%	-0.39%	0.54%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>													
Lazard	254,605	1.1%	1.0%	16.09%	4.65%	238,986	1.1%	1.0%	0.29%	16.42%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>													
Vanguard	247,911	1.1%	1.0%	18.89%	7.12%	227,049	1.0%	1.0%	0.49%	19.47%	44.68%	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	2,313,407	10.0%	10.0%	12.55%	4.55%	2,244,882	10.1%	10.0%	-1.31%	11.07%	29.16%	1.02%	1.39%
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-2.14%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	4,055,873	17.5%	16.7%	1.34%	1.06%	3,929,204	17.6%	16.7%	3.52%	4.91%	2.42%	7.77%	8.10%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Index</i>													
Bank of ND	5,113,946	22.1%	25.0%	0.40%	0.67%	4,944,668	22.2%	25.0%	2.54%	2.95%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				0.44%	0.68%				2.71%	3.16%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>													
Wells Capital (formerly Strong)	2,281,261	9.9%	8.3%	2.30%	1.68%	2,202,885	9.9%	8.3%	4.51%	6.92%	1.18%	N/A	N/A
Lehman US Credit BAA				1.69%	1.56%				4.76%	6.53%	1.96%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	11,451,080	49.5%	50.0%	1.11%	1.01%	11,076,757	49.7%	50.0%	3.27%	4.41%	0.79%	7.00%	7.45%
Lehman Gov/Credit				0.80%	1.06%				3.56%	4.39%	-0.72%	6.73%	7.10%
CASH EQUIVALENTS													
Bank of ND	2,299,906	9.9%	10.0%	0.53%	0.21%	2,221,762	10.0%	10.0%	0.44%	0.97%	1.20%	1.72%	3.39%
90 Day T-Bill				0.48%	0.21%				0.37%	0.85%	0.98%	1.71%	3.30%
TOTAL FIRE & TORNADO FUND	23,139,461	100.0%	100.0%	4.62%	1.92%	22,297,799	100.0%	100.0%	0.64%	5.29%	9.98%	4.82%	5.23%
POLICY TARGET BENCHMARK				4.14%	1.80%				1.22%	5.41%	8.00%	4.52%	4.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.